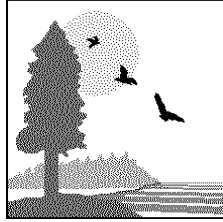


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June 23, 2004

EIR No. 708

SCH#2001061024

File Ref.: PRC 4000, 7911, & 3133

File No.: W30120 / W40813

PUBLIC UPDATE

To: Interested Parties

Re: Development of the Carpinteria Field Area (Carone Petroleum Corporation)

In 1966, Chevron installed Platforms Hope and Heidi to develop State leases PRC-4000 and 3150 (lease PRC 7911 is the southern portion of the original PRC-3150 lease). Lease PRC-3133, on the eastern edge of the Carpinteria Field, was later developed by Exxon using extended-reach wells from Platform Heidi. Carpinteria Field production peaked in 1968 at a rate of 38,000 barrels of oil per day. In 1992, Chevron shut-in the Hope and Heidi wells. In 1996, the wells were abandoned and the platforms removed.

In 1996, the CSLC assigned leases PRC- 4000 and 7911 to the Carone Petroleum Corporation (Carone). Carone has also applied to the CSLC for assignment of lease PRC 3133. In September, 1999, Carone submitted an application for a Plan of Development (POD) for 25 new production, or injection, wells that would be developed from Platform Hogan located on the Outer Continental Shelf (OCS). These would be extended-reach wells into the State leases with bores located up to 12,000 feet "eastward" of the platform. Carone anticipated that few changes would need to be made to the existing infrastructure in order to implement the POD. CSLC staff released a Notice of Preparation (NOP) on June 6, 2001. Two public Scoping Meetings were conducted in the city of Carpinteria on June 21, 2001.

This mailing is intended to provide an update on the project.

- In March 2002, the CSLC selected Marine Research Specialists (MRS) to prepare an Environmental Impact Report (EIR) for the project.
- In October, 2002, Carone requested that work on the EIR be suspended in order to conduct a Level III structural survey of Platform Hogan. It was agreed that it would be important to include the results of that survey in the EIR. On May 1, 2004, Carone requested that work on the EIR be restarted. No changes to the original POD have occurred during the intervening time and staff believes, therefore, that the June, 2001 NOP and comments received thereto are germane to the content of the EIR.
- CSLC staff anticipates release of the draft EIR for public review in the fall of 2004.

Thank you for your continued interest in this project. Please contact me at (916) 574-1938 (email: brandm@slc.ca.gov), if you have questions or would like further information.

MARINA R. BRAND, Project Manager
Division of Environmental Planning
And Management